

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on July 27, 2015, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Directors absent were: Mary Lovejoy and Ronald O’Hanley.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

The Chair, Governor Gina M. Raimondo, called the meeting to order at 5:13 p.m. indicating that a quorum was present.

2. TO CONSIDER FOR APPROVAL THE EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON MAY 18, 2015

3. TO CONSIDER LITIGATION ISSUES RELATED TO 38 STUDIOS, LLC

Upon motions duly made by Mr. Wadensten and seconded by Ms. Sams, the following vote was adopted:

VOTED: To enter into Executive Session pursuant to Rhode Island General Laws Section 42-46-5(a) (2) to approve the Executive Session Minutes and to consider issues related to 38 Studios, LLC.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None

Members of the Board, counsel and staff entered into closed session at 5:14 p.m.

The public session reconvened at 6:44 p.m.

The Governor designated Bernard V. Buonanno III as Vice Chairman

and excused herself from the meeting at 6:45 p.m.

Upon motion duly made by Ms. Sams and seconded by Dr. Carriuolo, the following vote was adopted:

VOTED: That the minutes of the Executive Session shall not be made available to the public, except as to the portions of such minutes as the Board of Directors ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session a unanimous vote of the Board was taken in accordance with Rhode Island General Law Section 42-46-4(b)(2) to keep all votes taken in the Executive Session confidential so as not to jeopardize any strategy, negotiation, or investigation undertaken with respect to the litigation.

4. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HEDL ON JULY 1, 2015

Upon motion duly made by Ms. Sams and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the Public Session Minutes for the meeting held on July 1, 2015

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

5. TO CONSIDER FOR APPROVAL THE PROMULGATION OF RULES IN RELATION TO THE REBUILD RHODE ISLAND TAX CREDIT ACT, RHODE ISLAND TAX INCREMENT FINANCING ACT OF 2015, MAIN STREET RHODE ISLAND STREETScape IMPROVEMENT FUND, ANCHOR INSTITUTION TAX CREDIT ACT AND THE RHODE ISLAND QUALIFIED JOBS INCENTIVE ACT OF 2015.

Mr. Buonanno introduced Darin Early to discuss the proposed rules presented to the Board for consideration. Mr. Early briefly described the rules before the Board and invited questions from Board members.

Mr. McNally inquired as to the ability to use multiple incentives and specifically noted that the jobs tax credit appeared to contain a limitation. Mr. Early explained that rules for the jobs tax credit program do contain a limitation, however, the other programs can be used in tandem at the discretion of the Corporation. Secretary Pryor also noted that even in the jobs tax credit the Board can vote to provide an exception if appropriate circumstances warrant such action.

Mr. Buonanno indicated that the summary of the rules provided to the Board was very helpful and that the rules were drafted in a manner that was consistent with the legislation creating the programs but also provided necessary flexibility for the Corporation in considering incentives. He further noted that it would be helpful to have a discussion of particular transactions at one meeting and consideration of approval at a following meeting. Several board members concurred with Mr. Buonnano's sentiments on this issue. Mr. Early indicated that the Corporation would endeavor to follow this protocol. Mr. Buonanno stated that while it was a preferred course of

conduct, he recognized that time constraints or other factors might preclude an extended time-frame for review and consideration.

Ms. Toledo-Vickers and Ms. Sams commented on the process for measuring performance of the programs. Mr. Hebert noted that the structure of the programs requiring performance before payment of the incentives is a preferable method for providing such assistance. He also expressed support for metrics for tracking and measuring the impact of the programs. Secretary Pryor discussed the importance of measuring the impact of any incentive and explained that agreements entered into by the Corporation will contain reporting requirements to aid in tracking the impact of the programs.

Ms. Sams asked if there was additional substantive comments from other stakeholders since the rules were provided to the Board. Mr. Early indicated that comments received to date did not fundamentally alter the intent of what is before the Board for approval. Secretary Pryor, noted that the Corporation expects to receive additional comment from relevant state departments and the rules will also go through a public comment process. Mr. Wadensten inquired as to the procedure going forward in relation to the adoption of the rules following all comments. Secretary Pryor asked Mr. Licht to provide an explanation of the process for incorporation of comments and adoption of the rules.

Mr. Licht explained that additional comments from agencies,

including the Division of Taxation and the Office of Regulatory Reform, would be reviewed and incorporated into the rules as deemed appropriate. Subsequently, the Board would be provided with a copy of the amended rules at least seven days prior to seeking public comment. Thereafter, the rules would be published for public comment in accordance with the Administrative Procedures Act. Mr. Nee asked if there are changes would the rules come back for further review by the Board. Mr. Licht reiterated that prior to going out to public comment the rules with all comments from relevant agencies would be provided to the Board not less than seven days prior to the public notice procedures. He explained that the rules would not come back before the Board prior to the public comment period. Mr. Nee inquired as to the course of action in the event of any material changes arising out of the public comment process. Mr. Licht indicated that technical changes arising from the public comment process would not come back before the Board, however, if material aspects of the rules should be changed as a result of public comment such amendments would be brought back to the Board. Mr. Early further explained the resolution before the Board for consideration specifically grants staff authority to adopt technical changes arising from the public comment process without the need bring the rules back to the Board. Mr. Hebert asked if the technical changes would be provided to the Board, to which Mr. Licht responded that such changes would be provided at least seven days prior to the final adoption of the rules. Secretary Pryor indicated that Board members would have the opportunity before the expiration of the seven day

period to address any concerns or issues that might arise from the public comment process and if necessary, the matter can always be brought back to the Board for further consideration.

Upon motion duly made by Mr. Nee and seconded by Mr. McNally, the following vote was adopted:

VOTED: To approve the promulgation of rules, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit B.

6. TO CONSIDER FOR APPROVAL SMALL SCALE SOLAR RENEWABLE ENERGY FUND AWARDS

Mr. Buonanno next introduced Ms. Ratanasim for a presentation on

the Renewable Energy Fund (“REF”). See Exhibit C. Ms. Ratanasim gave some background of the program and funding to date. Ms. Ratanasim then provided a brief summary of the proposed projects under consideration by the Board. Finally, she responded to various inquiries from the Board of Directors regarding the fund.

Upon motion duly made by Mr. Nee and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the Renewable Energy Fund matters, pursuant to the Resolution submitted to the Board of Directors

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit D.

7. TO CONSIDER FOR APPROVAL A GRANT PROPOSAL WITH THE UNIVERSITY OF RHODE ISLAND FOUNDATION

Mr. Buonanno introduced Secretary Pryor to discuss the proposed grant to the URI Foundation. Secretary Pryor indicated that one of

the more common issues raised by businesses in Rhode Island is in relation to the attraction of technically skilled talent. He discussed the importance of examining the considerations that may enhance Rhode Island's ability to attract such talent. Secretary Pryor noted that in an effort to further coordination amongst different divisions of government, colleges and universities and other stakeholders in the workforce development arena, the Corporation and the URI Foundation are proposing an effort to examine the existing landscape and coordination of resources. Secretary Pryor then asked Dan Jennings to provide some further background on the proposal.

Mr. Jennings explained that there are some great efforts to attract technical talent ongoing in the state but that there is a need for additional coordination of efforts to best deploy resources. He indicated that the Corporation would like to partner with the URI Foundation to engage all stakeholders in a more coordinated effort. Mr. Jennings noted that the parties have identified a candidate, Lee Pichette, as the individual who would lead this effort and briefly discussed Mr. Pichette's background and qualifications.

Mr. Hebert indicated that he is very familiar with this area and from his perspective one of the challenges is creating a pipeline from high school to college as there is presently a lack of students to fill these programs. He stressed that the correct focus has the potential to significantly impact the Rhode Island workforce. Ms. Vickers noted that this is a key area for employers and that it is imperative to

coordinate resources rather than allowing varying organizations to each start from scratch. Mr. Hebert highlighted the attractiveness of a two and a half year program backed by a college that could foster the software engineering field. Dr. Carriuolo stated that very often organizations and stakeholders are unaware of ongoing endeavors and that the importance of an effort like this proposal is the ability to identify what is in place thereby allowing for coordination and the identification of gaps. Ms. Sams noted that one of the major challenges is finding entry level technical talent and starting with an understanding of what exists in the marketplace is important.

Ms. Kaplan inquired if the initiative would focus on the immediate need of technical talent in addition to the development of a pipeline through the educational system. Secretary Pryor responded that part of the initiative will be to review the entire higher education system to determine the numbers of graduates in comparison to the needs of employers. He further explained that the effort will also focus on helping some employers by interpreting their needs in relation to technical talent to provide institutions with feedback on gaps in training and education.

Mr. Buonanno asked if the initiative was intended to be ongoing and the funding source. Secretary Pryor explained that the initiative is project oriented and will be for a discrete term, although he expected the outcomes of this project would yield additional efforts. He further noted that the Corporation will provide two-thirds of the funding.

Mr. Wadensten inquired as to who owns the intellectual property and the deliverables at the conclusion of the initiative. Mr. Jennings explained that there will be recommendations which result from the effort including actions to encourage coordination and fill gaps. Mr. Buonanno suggested that, if approved, Mr. Pichette should come and present to the Board at some point.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Ms. Sams, the following vote was adopted:

VOTED: To approve the grant proposal with the University of Rhode Island Foundation pursuant to the Resolution submitted to the Board of Directors

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit E.

8. TO CONSIDER FOR APPROVAL A RESOLUTION PROVIDING AUTHORITY TO STAFF TO APPROVE CERTAIN RENEWABLE

ENERGY FUND AWARDS.

Mr. Buonanno introduced Mr. Early to discuss a delegation of authority in connection with the Renewable Energy Fund program. Mr. Early explained the request for delegation of authority and to provide quarterly updates to the Board on the program. He noted that the delegation would require dual authority at the executive level for approval. Mr. Wadensten asked about compliance with National Grid requirement and Mr. Early explained that the funding mechanism is not impacted by the delegation.

Mr. Hebert noted that the program has a robust vetting process and strong history.

Upon motion duly made by Mr. Nee and seconded by Ms. Kaplan, the following vote was adopted:

VOTED: To approve the delegation of authority, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit F.

9. TO CONSIDER FOR APPROVAL A RESOLUTION PROVIDING FOR THE ADDITION OF THE CEO AND COO AS AUTHORIZED OFFICERS UNDER ALL PRIOR RESOLUTIONS OF THE CORPORATION AND AN ADDITIONAL DESIGNATION FOR THE COO.

Mr. Buonanno introduced Secretary Pryor to discuss a resolution adding the CEO and COO as authorized officers under prior resolutions of the Corporation and granting an additional designation to the COO. Secretary Pryor explained Mr. Early's expansive role in relation to the operation and management of the Corporation and suggested in recognition of his position that Mr. Early receive the additional designation of President of the Corporation. Secretary Pryor also explained the request for inclusion of the CEO and COO as authorized officers under prior resolutions of the Board.

Upon motion duly made by Mr. Hebert and seconded by Mr. Nee, the following vote was adopted:

VOTED: To approve the addition of the CEO and COO as authorized officers under all prior resolutions of the Corporation and the additional designation of President for the COO, Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan Jason Kelly, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit G.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 7:27 p.m., upon motion made by Ms. Sams and seconded by Mr. Wadensten.

Thomas Carlotto, Secretary